

110TH CONGRESS
2D SESSION

H. R. 6784

To amend the Internal Revenue Code of 1986 to provide a refundable credit against income tax to assist individuals with high residential energy costs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2008

Mr. SHAYS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide a refundable credit against income tax to assist individuals with high residential energy costs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Home Heating Oil As-
5 sistance Act of 2008”.

1 **SEC. 2. REFUNDABLE CREDIT FOR RESIDENTIAL ENERGY**
 2 **COSTS.**

3 (a) IN GENERAL.—Subchapter B of chapter 65 of the
 4 Internal Revenue Code of 1986 (relating to rules of special
 5 application) is amended by adding at the end the following
 6 new section:

7 **“SEC. 6431. REFUNDABLE CREDIT FOR RESIDENTIAL EN-**
 8 **ERGY COSTS.**

9 “(a) GENERAL RULE.—In the case of an individual,
 10 there shall be allowed as a credit against the tax imposed
 11 by this subtitle for the taxable year an amount equal to
 12 the lesser of—

13 “(1) 33 percent of the amount of the taxpayer’s
 14 residential energy costs for such taxable year, or

15 “(2) \$500.

16 “(b) INCOME LIMITATION.—

17 “(1) IN GENERAL.—The amount allowable as a
 18 credit under subsection (a) for any taxable year shall
 19 be reduced (but not below zero) by 5 percent of so
 20 much of the taxpayer’s adjusted gross income as ex-
 21 ceeds the threshold amount.

22 “(2) THRESHOLD AMOUNT.—For purposes of
 23 paragraph (1), the term ‘threshold amount’ means—

24 “(A) \$200,300 in the case of a joint re-
 25 turn,

1 “(B) \$182,400 in the case of a head of a
2 household (as defined in section 2(b)),

3 “(C) \$164,550 in the case of an individual
4 who is not married, and

5 “(D) one-half of the dollar amount in ef-
6 fect under subparagraph (A) for the taxable
7 year in the case of a married individual filing
8 a separate return.

9 “(3) DETERMINATION OF ADJUSTED GROSS IN-
10 COME.—For purposes of paragraph (1), adjusted
11 gross income shall be determined without regard to
12 sections 911, 931, and 933.

13 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-
14 poses of this section—

15 “(1) RESIDENTIAL ENERGY COSTS.—The term
16 ‘residential energy costs’ means the amount paid or
17 incurred by the taxpayer during the taxable year—

18 “(A) to any utility for electricity or natural
19 gas used in the principal residence of the tax-
20 payer during the heating season, and

21 “(B) for any qualified fuel for use in the
22 principal residence of the taxpayer but only if
23 such fuel is the primary fuel for heating such
24 residence.

25 “(2) PRINCIPAL RESIDENCE.—

1 “(A) IN GENERAL.—The term ‘principal
2 residence’ has the meaning given to such term
3 by section 121; except that no ownership re-
4 quirement shall be imposed.

5 “(B) SPECIAL RULES.—Such term shall
6 not include—

7 “(i) any residence located outside the
8 United States, and

9 “(ii) any residence not used as the
10 taxpayer’s principal place of abode
11 throughout the heating season.

12 “(3) HEATING SEASON.—The term ‘heating
13 season’ means October, November, December, Janu-
14 ary, February, and March.

15 “(4) QUALIFIED FUEL.—The term ‘qualified
16 fuel’ includes propane, heating oil, kerosene, wood,
17 and wood pellets.

18 “(d) OTHER SPECIAL RULES.—

19 “(1) INDIVIDUALS PAYING ON LEVEL PAYMENT
20 BASIS.—Amounts paid for natural gas under a level
21 payment plan for any period shall be treated as paid
22 for natural gas used during the portion (if any) of
23 the heating season during such period to the extent
24 of the amount charged for natural gas used during

1 such portion of the heating season. A similar rule
2 shall apply to electricity and any qualified fuel.

3 “(2) HOMEOWNERS ASSOCIATIONS, ETC.—The
4 application of this section to homeowners associa-
5 tions (as defined in section 528(c)(1)) or members
6 of such associations, and tenant-stockholders in co-
7 operative housing corporations (as defined in section
8 216), shall be allowed by allocation, apportionment,
9 or otherwise, to the individuals paying, directly or
10 indirectly, for the residential energy cost so incurred.

11 “(3) DOLLAR AMOUNT IN CASE OF JOINT OCCU-
12 PANCY.—In the case of a dwelling unit which is the
13 principal residence by 2 or more individuals, the dol-
14 lar limitation under subsection (a)(2) shall be allo-
15 cated among such individuals under regulations pre-
16 scribed by the Secretary.

17 “(4) TREATMENT AS REFUNDABLE CREDIT.—
18 For purposes of this title, the credit allowed by this
19 section shall be treated as a credit allowed under
20 subpart C of part IV of subchapter A of chapter 1
21 (relating to refundable credits).

22 “(e) INFLATION ADJUSTMENT.—

23 “(1) IN GENERAL.—In the case of any taxable
24 year beginning in 2009, each of the dollar amounts

1 contained in subsections (a)(2) and (b)(2) shall be
 2 increased by an amount equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) in the case of—

5 “(i) the dollar amount contained in
 6 subsection (a)(2), the fuel price inflation
 7 adjustment for 2009, and

8 “(ii) the dollar amounts contained in
 9 subsection (b)(2), the cost-of-living adjust-
 10 ment determined under section 1(f)(3) for
 11 2009 by substituting ‘calendar year 2007’
 12 for ‘calendar year 1992’ in subparagraph
 13 (B) thereof.

14 “(2) FUEL PRICE INFLATION ADJUSTMENT.—

15 For purposes of paragraph (1)(B)(i)—

16 “(A) IN GENERAL.—The fuel price infla-
 17 tion adjustment for 2009 is the percentage (if
 18 any) by which—

19 “(i) the CPI fuel component for Octo-
 20 ber of 2008, exceeds

21 “(ii) the CPI fuel component for Oc-
 22 tober of 2007.

23 “(B) CPI FUEL COMPONENT.—The term
 24 ‘CPI fuel component’ means the fuel component
 25 of the Consumer Price Index for All Urban

1 Consumers published by the Department of
2 Labor.

3 “(3) ROUNDING.—

4 “(A) CREDIT AMOUNT.—

5 “(i) CREDIT AMOUNT.—If the dollar
6 amount in subsection (a)(2) (after being
7 increased under paragraph (1)), is not a
8 multiple of \$10, such dollar amount shall
9 be rounded to the nearest multiple of \$10.

10 “(ii) INCOME THRESHOLD.—If any
11 dollar amount in subsection (b)(2) (after
12 being increased under paragraph (1)), is
13 not a multiple of \$50, such dollar amount
14 shall be rounded to the next lowest mul-
15 tiple of \$50.

16 “(f) APPLICATION OF SECTION.—This section shall
17 apply to residential energy costs paid or incurred after the
18 date of the enactment of this section, in taxable years end-
19 ing after such date, and before January 1, 2010.”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) Paragraph (2) of section 1324(b) of title
22 31, United States Code, is amended by striking “or
23 6428 or” and inserting “, 6428, 6431, or”.

1 (2) The table of sections for subchapter B of
2 chapter 65 of such Code is amended by adding at
3 the end the following new item:

“Sec. 6431. Refundable credit for residential energy costs.”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years ending after the
6 date of the enactment of this Act.

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